

<i>SERFF Tracking Number:</i>	<i>AEGS-125791385</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Aegis Security Insurance CCompany</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>28-AR-08190-RR</i>		
<i>TOI:</i>	<i>04.0 Homeowners</i>	<i>Sub-TOI:</i>	<i>04.0000 Homeowners Sub-TOI Combinations</i>
<i>Product Name:</i>	<i>MHO-8 Program</i>		
<i>Project Name/Number:</i>	<i>Rate & Rule Filing/28-AR-08190-RR</i>		

Filing at a Glance

Company: Aegis Security Insurance CCompany

Product Name: MHO-8 Program

TOI: 04.0 Homeowners

Sub-TOI: 04.0000 Homeowners Sub-TOI
Combinations

Filing Type: Rate/Rule

SERFF Tr Num: AEGS-125791385 State: Arkansas

SERFF Status: Closed

Co Tr Num: 28-AR-08190-RR

Co Status:

Author: Judy Deivernois

Date Submitted: 08/26/2008

State Tr Num: EFT \$100

State Status: Fees verified and
received

Reviewer(s): Becky Harrington,
Betty Montesi, Brittany Yielding

Disposition Date: 08/29/2008

Disposition Status: Filed

Effective Date Requested (New): On Approval

Effective Date Requested (Renewal): On Approval

Effective Date (New): 11/01/2008

Effective Date (Renewal):

01/01/2009

State Filing Description:

General Information

Project Name: Rate & Rule Filing

Project Number: 28-AR-08190-RR

Reference Organization:

Reference Title:

Filing Status Changed: 08/29/2008

State Status Changed: 08/29/2008

Corresponding Filing Tracking Number:

Filing Description:

Rate & Rule Filing

Status of Filing in Domicile: Authorized

Domicile Status Comments: Similar Program
filed in state of domicile

Reference Number:

Advisory Org. Circular:

Deemer Date:

Company and Contact

Filing Contact Information

<i>SERFF Tracking Number:</i>	<i>AEGS-125791385</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Aegis Security Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>28-AR-08190-RR</i>		
<i>TOI:</i>	<i>04.0 Homeowners</i>	<i>Sub-TOI:</i>	<i>04.0000 Homeowners Sub-TOI Combinations</i>
<i>Product Name:</i>	<i>MHO-8 Program</i>		
<i>Project Name/Number:</i>	<i>Rate & Rule Filing/28-AR-08190-RR</i>		

Judith Delvernois, Product Development Specialist	jdeivernois@aegisfirst.com
2407 Park Drive	(717) 657-9671 [Phone]
Harrisburg, PA 17110	(717) 657-0340[FAX]

Filing Company Information

Aegis Security Insurance Company	CoCode: 33898	State of Domicile: Pennsylvania
2407 Park Drive	Group Code:	Company Type: Property Casualty
Suite 200		
Harrisburg, PA 17110	Group Name:	State ID Number:
(717) 657-9671 ext. [Phone]	FEIN Number: 23-2035821	

<i>SERFF Tracking Number:</i>	<i>AEGS-125791385</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Aegis Security Insurance COmpany</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>28-AR-08190-RR</i>		
<i>TOI:</i>	<i>04.0 Homeowners</i>	<i>Sub-TOI:</i>	<i>04.0000 Homeowners Sub-TOI Combinations</i>
<i>Product Name:</i>	<i>MHO-8 Program</i>		
<i>Project Name/Number:</i>	<i>Rate & Rule Filing/28-AR-08190-RR</i>		

Filing Fees

Fee Required?	Yes
Fee Amount:	\$100.00
Retaliatory?	No
Fee Explanation:	Rate & Rule Filing
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Aegis Security Insurance Company	\$100.00	08/26/2008	22140646

<i>SERFF Tracking Number:</i>	<i>AEGS-125791385</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Aegis Security Insurance COmpany</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>28-AR-08190-RR</i>		
<i>TOI:</i>	<i>04.0 Homeowners</i>	<i>Sub-TOI:</i>	<i>04.0000 Homeowners Sub-TOI Combinations</i>
<i>Product Name:</i>	<i>MHO-8 Program</i>		
<i>Project Name/Number:</i>	<i>Rate & Rule Filing/28-AR-08190-RR</i>		

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	08/29/2008	08/29/2008

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	08/29/2008	08/29/2008	Judy Deivernois	08/29/2008	08/29/2008

SERFF Tracking Number: *AEGS-125791385*

State: *Arkansas*

Filing Company: *Aegis Security Insurance COmpany*

State Tracking Number: *EFT \$100*

Company Tracking Number: *28-AR-08190-RR*

TOI: *04.0 Homeowners*

Sub-TOI: *04.0000 Homeowners Sub-TOI Combinations*

Product Name: *MHO-8 Program*

Project Name/Number: *Rate & Rule Filing/28-AR-08190-RR*

Disposition

Disposition Date: 08/29/2008

Effective Date (New): 11/01/2008

Effective Date (Renewal): 01/01/2009

Status: Filed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: AEGS-125791385 State: Arkansas

Filing Company: Aegis Security Insurance Company State Tracking Number: EFT \$100

Company Tracking Number: 28-AR-08190-RR

TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations

Product Name: MHO-8 Program

Project Name/Number: Rate & Rule Filing/28-AR-08190-RR

Item Type	Item Name	Item Status	Public Access
Supporting Document	HPCS-Homeowners Premium Comparison Survey		Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	Yes
Supporting Document (revised)	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	Cover Letter	Filed	Yes
Supporting Document (revised)	Rate Justification	Filed	Yes
Supporting Document	Rate Justification	Filed	Yes
Supporting Document	NAIC Loss Cost Data	Filed	Yes
Rate	Manual Rule Rate Pages	Filed	Yes

SERFF Tracking Number: AEGS-125791385 State: Arkansas
Filing Company: Aegis Security Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 28-AR-08190-RR
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: MHO-8 Program
Project Name/Number: Rate & Rule Filing/28-AR-08190-RR

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 08/29/2008

Submitted Date 08/29/2008

Respond By Date

Dear Judith Delvernois,

This will acknowledge receipt of the captioned filing.

Objection 1

- NAIC loss cost data entry document (Supporting Document)

Comment: This form is required with all rate change filings, including non-loss cost filings.

Objection 2

- Cover Letter (Supporting Document)

Comment: The cover letter shows a 14% increase. The transmittal document shows 10%. Please confirm the requested changes and submit revised documents if needed.

Objection 3

- Rate Justification (Supporting Document)
- Manual Rule Rate Pages (Rate)

Comment: The first and last attachment are identical. Please explain.

Please feel free to contact me if you have questions.

In accordance with Regulation 23, Section 7.A., this filing may not be implemented until 20 days after the requested amendment(s) and/or information is received.

Sincerely,

Becky Harrington

Response Letter

Response Letter Status Submitted to State

Response Letter Date 08/29/2008

Submitted Date 08/29/2008

SERFF Tracking Number: AEGS-125791385 State: Arkansas
Filing Company: Aegis Security Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 28-AR-08190-RR
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: MHO-8 Program
Project Name/Number: Rate & Rule Filing/28-AR-08190-RR

Dear Becky Harrington,

Comments:

Response 1

Comments: Corrected Documents

Related Objection 1

Applies To:

- NAIC loss cost data entry document (Supporting Document)

Comment:

This form is required with all rate change filings, including non-loss cost filings.

Related Objection 2

Applies To:

- Cover Letter (Supporting Document)

Comment:

The cover letter shows a 14% increase. The transmittal document shows 10%. Please confirm the requested changes and submit revised documents if needed.

Related Objection 3

Applies To:

- Rate Justification (Supporting Document)
- Manual Rule Rate Pages (Rate)

Comment:

The first and last attachment are identical. Please explain.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Uniform Transmittal Document-Property & Casualty

Comment: Corrected Transmittal Page Attached

Satisfied -Name: Rate Justification

Comment: Worksheets allowing for rate increase. All correct pages in one file.

Satisfied -Name: NAIC Loss Cost Data

Comment: See Attached form

No Form Schedule items changed.

SERFF Tracking Number: AEGS-125791385

State: Arkansas

Filing Company: Aegis Security Insurance COmpany

State Tracking Number: EFT \$100

Company Tracking Number: 28-AR-08190-RR

TOI: 04.0 Homeowners

Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations

Product Name: MHO-8 Program

Project Name/Number: Rate & Rule Filing/28-AR-08190-RR

No Rate/Rule Schedule items changed.

Sincerely,
Judy Deivernois

<i>SERFF Tracking Number:</i>	<i>AEGS-125791385</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Aegis Security Insurance COmpany</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>28-AR-08190-RR</i>		
<i>TOI:</i>	<i>04.0 Homeowners</i>	<i>Sub-TOI:</i>	<i>04.0000 Homeowners Sub-TOI Combinations</i>
<i>Product Name:</i>	<i>MHO-8 Program</i>		
<i>Project Name/Number:</i>	<i>Rate & Rule Filing/28-AR-08190-RR</i>		

Rate Information

Rate data does NOT apply to filing.

<i>SERFF Tracking Number:</i>	<i>AEGS-125791385</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Aegis Security Insurance COmpany</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>28-AR-08190-RR</i>		
<i>TOI:</i>	<i>04.0 Homeowners</i>	<i>Sub-TOI:</i>	<i>04.0000 Homeowners Sub-TOI Combinations</i>
<i>Product Name:</i>	<i>MHO-8 Program</i>		
<i>Project Name/Number:</i>	<i>Rate & Rule Filing/28-AR-08190-RR</i>		

Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Manual Rule Rate Pages	Pages 9 & 10 (08/08)	Replacement	28-AR-021547-RR Manual Rule Rate Pages.pdf

ARKANSAS MODIFIED HOMEOWNER HO-8 PROGRAM
TERRITORY 1
\$250 DEDUCTIBLE
\$25,000 LIABILITY

DWELLING Protection Class	1 - 4	5 - 6	7 - 8	9 - 10
5000 - 5999	168	186	218	347
6000 - 6999	174	194	226	360
7000 - 7999	181	202	235	374
8000 - 8999	187	207	244	386
9000 - 9999	195	217	251	400
10000 - 10999	201	222	261	415
11000 - 11999	207	230	274	432
12000 - 12999	214	237	285	451
13000 - 13999	221	245	296	469
14000 - 14999	227	251	308	487
15000 - 15999	235	260	321	508
16000 - 16999	241	268	335	528
17000 - 17999	247	275	348	548
18000 - 18999	254	282	361	569
19000 - 19999	261	288	375	591
20000 - 20999	267	296	388	611
21000 - 21999	275	303	401	632
22000 - 22999	280	310	416	653
23000 - 23999	287	318	429	676
24000 - 24999	294	325	442	697
25000 - 25999	301	333	457	718
26000 - 26999	307	340	471	740
27000 - 27999	315	348	485	762
28000 - 28999	320	355	498	782
29000 - 29999	327	363	512	804
30000 - 30999	334	368	526	824
31000 - 31999	341	377	539	845
32000 - 32999	349	384	552	866
33000 - 33999	358	393	567	888
34000 - 34999	366	401	580	909
35000 - 35999	374	409	593	929
36000 - 36999	382	418	606	951
37000 - 37999	390	426	620	972
38000 - 38999	399	435	633	994
39000 - 39999	407	443	646	1016
40000 - 40999	416	451	660	1039
41000 - 41999	424	461	673	1060
42000 - 42999	432	469	686	1082
43000 - 43999	441	478	700	1104
44000 - 44999	449	486	713	1125
45000 - 45999	458	495	728	1147
46000 - 46999	466	503	740	1169
47000 - 47999	475	511	752	1190
48000 - 48999	483	520	766	1212
49000 - 49999	491	528	780	1233
50000 - 50999	500	537	792	1255
51000 - 51999	508	545	806	1277
52000 - 52999	518	553	820	1300
53000 - 53999	526	562	832	1321
54000 - 54999	535	570	846	1343
55000 - 55999	543	579	860	1365
56000 - 56999	551	587	872	1386
57000 - 57999	560	596	886	1408
58000 - 58999	568	604	899	1430
59000 - 59999	577	612	912	1451
60000 - 60999	585	621	926	1473
61000 - 61999	593	629	939	1495
62000 - 62999	602	638	952	1516
63000 - 63999	610	646	966	1538
64000 - 64999	619	656	979	1560
65000 - 65999	627	663	992	1582
66000 - 66999	636	671	1005	1604
67000 - 67999	644	681	1019	1626
68000 - 68999	652	689	1032	1647
69000 - 69999	661	698	1045	1669
70000 - 70999	669	706	1059	1691
71000 - 71999	678	714	1072	1712
72000 - 72999	686	723	1085	1734
73000 - 73999	695	731	1099	1756
74000 - 74999	703	740	1112	1777
75000 - 75999	711	748	1125	1799
76000 - 76999	720	757	1139	1821
77000 - 77999	728	765	1151	1843
78000 - 78999	738	773	1165	1865
79000 - 79999	746	782	1179	1887
80000 - 80999	754	790	1191	1908
81000 - 81999	763	799	1205	1930
82000 - 82999	771	807	1218	1952
83000 - 83999	780	816	1231	1973
84000 - 84999	788	824	1245	1995
85000 - 85999	797	832	1257	2017
86000 - 86999	805	841	1271	2038
87000 - 87999	813	849	1285	2060
88000 - 88999	822	858	1297	2082
89000 - 89999	830	866	1311	2103
90000 - 90999	839	874	1325	2126
91000 - 91999	847	884	1337	2148
92000 - 92999	855	891	1351	2169
93000 - 93999	864	901	1365	2191
94000 - 94999	872	909	1377	2213
95000 - 95999	881	918	1391	2234
96000 - 96999	889	926	1404	2256
97000 - 97999	898	934	1417	2278
98000 - 98999	906	943	1431	2299
99000 - 99999	914	951	1444	2321
100000 - 100999	923	960	1457	2343
To Increase Dwelling per \$1,000	\$9	\$9	\$13	\$22

ARKANSAS MODIFIED HOMEOWNER HO-8 PROGRAM
TERRITORY 2
\$250 DEDUCTIBLE
\$25,000 LIABILITY

DWELLING Protection Class	1 - 4	5 - 6	7 - 8	9 - 10
5000 - 5999	223	247	287	457
6000 - 6999	230	258	299	474
7000 - 7999	241	267	309	490
8000 - 8999	249	276	321	510
9000 - 9999	259	286	333	526
10000 - 10999	266	295	344	544
11000 - 11999	276	306	360	567
12000 - 12999	284	315	376	592
13000 - 13999	293	324	390	616
14000 - 14999	301	333	406	638
15000 - 15999	310	343	423	666
16000 - 16999	318	351	440	691
17000 - 17999	327	361	458	716
18000 - 18999	336	371	475	746
19000 - 19999	344	381	491	773
20000 - 20999	353	390	510	800
21000 - 21999	363	400	527	827
22000 - 22999	369	409	545	855
23000 - 23999	380	418	563	884
24000 - 24999	386	428	580	910
25000 - 25999	397	436	599	938
26000 - 26999	405	447	618	967
27000 - 27999	415	458	636	994
28000 - 28999	422	466	652	1021
29000 - 29999	431	477	670	1050
30000 - 30999	439	485	689	1078
31000 - 31999	448	496	706	1104
32000 - 32999	459	505	724	1132
33000 - 33999	470	516	742	1161
34000 - 34999	481	527	759	1187
35000 - 35999	490	538	777	1213
36000 - 36999	502	548	795	1241
37000 - 37999	512	560	813	1269
38000 - 38999	523	570	831	1296
39000 - 39999	535	581	849	1325
40000 - 40999	545	592	868	1352
41000 - 41999	556	603	886	1381
42000 - 42999	567	613	904	1408
43000 - 43999	578	625	922	1435
44000 - 44999	588	636	941	1464
45000 - 45999	600	648	959	1491
46000 - 46999	610	658	976	1518
47000 - 47999	621	668	994	1547
48000 - 48999	632	679	1012	1574
49000 - 49999	643	690	1031	1603
50000 - 50999	653	701	1049	1630
51000 - 51999	665	711	1067	1658
52000 - 52999	676	723	1085	1686
53000 - 53999	686	733	1104	1713
54000 - 54999	698	744	1122	1741
55000 - 55999	708	756	1140	1769
56000 - 56999	719	766	1157	1797
57000 - 57999	730	777	1175	1825
58000 - 58999	741	788	1194	1853
59000 - 59999	751	799	1212	1880
60000 - 60999	763	809	1230	1908
61000 - 61999	773	821	1248	1936
62000 - 62999	784	831	1267	1964
63000 - 63999	795	842	1285	1992
64000 - 64999	806	853	1303	2019
65000 - 65999	817	864	1321	2047
66000 - 66999	828	874	1338	2075
67000 - 67999	839	886	1357	2102
68000 - 68999	849	897	1375	2131
69000 - 69999	861	907	1393	2158
70000 - 70999	871	919	1411	2187
71000 - 71999	882	929	1430	2214
72000 - 72999	893	941	1448	2241
73000 - 73999	904	951	1466	2270
74000 - 74999	914	962	1484	2297
75000 - 75999	926	972	1503	2324
76000 - 76999	937	984	1520	2353
77000 - 77999	947	994	1538	2380
78000 - 78999	959	1005	1556	2409
79000 - 79999	969	1016	1574	2436
80000 - 80999	980	1027	1593	2464
81000 - 81999	991	1039	1611	2492
82000 - 82999	1002	1049	1629	2519
83000 - 83999	1012	1060	1647	2547
84000 - 84999	1024	1070	1666	2575
85000 - 85999	1034	1082	1684	2603
86000 - 86999	1045	1092	1701	2631
87000 - 87999	1056	1104	1719	2658
88000 - 88999	1067	1114	1737	2686
89000 - 89999	1078	1125	1756	2714
90000 - 90999	1089	1135	1774	2742
91000 - 91999	1100	1147	1792	2770
92000 - 92999	1110	1157	1810	2798
93000 - 93999	1122	1169	1829	2825
94000 - 94999	1132	1180	1847	2853
95000 - 95999	1143	1190	1865	2881
96000 - 96999	1154	1202	1882	2908
97000 - 97999	1165	1212	1900	2937
98000 - 98999	1175	1223	1919	2964
99000 - 99999	1187	1233	1937	2993
100000 - 100999	1197	1245	1955	3020
To Increase Dwelling per \$1,000	\$11	\$11	\$18	\$27

SERFF Tracking Number:	AEGS-125791385	State:	Arkansas
Filing Company:	Aegis Security Insurance Company	State Tracking Number:	EFT \$100
Company Tracking Number:	28-AR-08190-RR		
TOI:	04.0 Homeowners	Sub-TOI:	04.0000 Homeowners Sub-TOI Combinations
Product Name:	MHO-8 Program		
Project Name/Number:	Rate & Rule Filing/28-AR-08190-RR		

Supporting Document Schedules

Satisfied -Name:	Uniform Transmittal Document-Property & Casualty	Review Status:	Filed	08/29/2008
Comments:	Corrected Transmittal Page Attached			
Attachments:	NAIC Transmittal.pdf NAIC Corrected Transmittal.pdf			
Satisfied -Name:	Cover Letter	Review Status:	Filed	08/29/2008
Comments:	Cover explaining revision to filing.			
Attachment:	Cover Letter Rate.pdf			
Satisfied -Name:	Rate Justification	Review Status:	Filed	08/29/2008
Comments:	Worksheets allowing for rate increase. All correct pages in one file.			
Attachment:	AR HO8 corrected rate indications 0808.pdf			
Satisfied -Name:	NAIC Loss Cost Data	Review Status:	Filed	08/29/2008
Comments:	See Attached form			
Attachment:	NAIC Loss Cost Data.pdf			

Property & Casualty Transmittal Document

Reset Form

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
h. Subject Codes		

3. Group Name					Group NAIC #
4. Company Name(s)	Domicile	NAIC #	FEIN #	State #	
Aegis Scurity Insurance Company	PA	313-33898	23-20358		

5. Company Tracking Number	28-AR-08190-RR
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
Judith A. Delvernois	Product Development Specialist	1-800-233-2160	717-657-0340	jdeivernois@aegisfirst.com
7. Signature of authorized filer				
8. Please print name of authorized filer		Judith A. Delvernois		

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	04.0 Homeowners	
10. Sub-Type of Insurance (Sub-TOI)	04.0003 Owner Occupied Homeowners	
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]		
12. Company Program Title (Marketing title)	MHO-8 Homeowners Program	
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input checked="" type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)	
14. Effective Date(s) Requested	New: 11/01/08	Renewal: 01/01/09
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
16. Reference Organization (if applicable)		
17. Reference Organization # & Title		
18. Company's Date of Filing		
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved	

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking # 28-AR-08190-RR

21. Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]

10% Increase to Base Premiums

[View Complete Filing Description](#)

22. Filing Fees (Filer must provide check # and fee amount if applicable)
[If a state requires you to show how you calculated your filing fees, place that calculation below]

Check #:

Amount:

Submitting Via EFT

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

***Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)
 (Do not refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	Not Applicable			
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)				
3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	Not Applicable		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

PC FFS-1

RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	24-AR-08191-RR
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	
----	--	--

☒ Rate Increase ☐ Rate Decrease ☐ Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	
----	---	--

4a.	Rate Change by Company (As Proposed)							
-----	--------------------------------------	--	--	--	--	--	--	--

Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
Aegis	10%	10%	10,167	200	101,667	10%	

4b.	Rate Change by Company (As Accepted) For State Use Only							
-----	---	--	--	--	--	--	--	--

Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change	Minimum % Change

5. Overall Rate Information (Complete for Multiple Company Filings only)			
--	--	--	--

		COMPANY USE	STATE USE
5a	Overall percentage rate indication (when applicable)		
5b	Overall percentage rate impact for this filing		
5c	Effect of Rate Filing – Written premium change for this program		
5d	Effect of Rate Filing – Number of policyholders affected		

6.	Overall percentage of last rate revision	6%
----	--	----

7.	Effective Date of last rate revision	May 19, 2003
----	--------------------------------------	--------------

8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	Prior Approval
----	---	----------------

9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01	Manual Rate Page 9 and 10(08/08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	28-AR-02147-RR
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	28-AR-08190-RR
-----	---	----------------

21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
-----	--

14% Base Rate Increase

[View Complete Filing Description](#)

22.	Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
-----	---

Check #:

Amount:

Filing Fee submitted via EFT- Rate-Rule Filing

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

***Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)



AEGIS SECURITY INSURANCE COMPANY

2407 PARK DRIVE / SUITE 200 / P.O. BOX 3153, HARRIBURG, PENNSYLVANIA 17105
TELEPHONE (717) 657-9671 / (800) 233-2160 FAX (717) 657-0340

August 26, 2008

Arkansas Insurance Department
1200 West Third Street
Little Rock, AR 72201-1904
Attn: Property & Casualty Division

Attn: Becky Harrington

RE: Arkansas MHO-8 Program
Rate and Rule Filing
NAIC# 313-33898, FEIN: 23-20358
Our File # 28-AL-08190-RR

Dear Ms. Harrington:

On behalf of Aegis Security Insurance Company, we wish to submit the above referenced rate/rule filing for use in Arkansas.

Rate/Rule Filing

Manual Page 9 (08/08) replaces Manual Page 8 (05/03)
Manual Page 10 (08/08) replaces Manual Page 9 (05/03)

These pages reflect a rate increase of 14% to the base premium. Our rate indication indicated a 14.1% increase is in line we are requesting an annual increase of 14%.

In accordance with Arkansas regulation, we are submitting this filing on a prior approval basis. We would like to implement these changes effective the date of approval.

If you have any questions or wish to have additional information, please contact me at 1-800-233-2160 or via email at jdeivernois@aegisfirst.com

Respectfully,

Judith A. DeIvernois

Judith A. Delvernois
Product Development Specialist

	2003	2004	2005	2006	2007	Total
Trend-To Date	6.00	5.00	4.00	3.00	2.00	
Premium Trend	1.126	1.104	1.082	1.061	1.040	
Loss Trend	1.302	1.246	1.193	1.141	1.092	
Loss Development	1.000	1.002	0.983	0.999	1.056	
Weights	0.10	0.15	0.20	0.25	0.30	1.00

Presumed Effective Date

10/1/2008

Avg Accident Date

10/1/2009

Premium ATF

0.020

Loss ATF

0.045

FACTOR INPUT

States	General Expense & Acquisition				Taxes, Licenses, Profit & Fees			Contingency	BPLR
	Commission Cost	ULAE							
AR	0.270	0.134	0.065	0.025	0.050				0.456

Annual Trend Factor Calculations

Year	x	Average CovA	Linear Fit
2002	1	\$32,590	31,606
2003	2	\$38,214	34,383
2004	3	\$40,777	37,160
2005	4	\$43,872	39,937
2006	5	\$45,407	42,715
2007	6	\$47,096	45,492

Least Squares Fit to Y (Average CovA) = mx + b

b (Intercept)	Latest 6 Yrs	Latest 4 Yrs
m (Slope)	31,606	35,067
R-Square (Fit)	2,777	2,049
	0.946	0.970
Avg Annual Trend	6.7%	4.6%
Selected	2.0%	

Annual Loss Trend Calculation
Annual Construction Cost Indexes
Census Construction Price Indexes (CPI)

Year	x	CPI	Fit
1996	1	100.0	88.2
1997	2	102.9	94.2
1998	3	105.5	100.1
1999	4	110.7	106.1
2000	5	115.4	112.1
2001	6	119.5	118.1
2002	7	124.8	124.1
2003	8	131.9	130.1
2004	9	141.9	136.1
2005	10	153.1	142.0
2006	11	159.2	148.0
2007	12	160.1	154.0

Least Squares Fit to Y (CPI) = mx + b

b (Intercept)	88.2
m (Slope)	5.99
R-Square (Fit)	0.968

Avg Annual Trend	4.7%
Selected	4.5%

Loss Development Factor Calculations

Source: Country Wide Incurred Indemnity + ALAE (as of 12/31/07)

Schedule P - Part 1A

Incurred Loss & ALAE = (4) Loss Payments + (6) Defense & CC Payments + (13) Losses Unpaid Case + (17) Losses Unpaid Defense & CC

Homeowner and Mobile Home

Incurred Losses & ALAE							Weights (12 Mo.)				
AY	12	24	36	48	60	72	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72
2002	10,274,000	10,532,000	11,488,000	10,519,000	10,533,000	10,531,000	0.134	0.160	0.335	0.472	1.000
2003	11,690,000	11,734,000	11,715,000	11,786,000	11,813,000		0.152	0.179	0.342	0.528	
2004	10,947,000	11,202,000	11,088,000	11,351,000			0.142	0.170	0.323		
2005	29,881,000	32,264,000	33,295,000				0.388	0.491			
2006	14,153,000	14,631,000					0.184	0.223			
2007	11,988,000						1.000	1.223	1.000	1.000	1.000
AY	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72						
2002	1.025	1.091	0.916	1.001	1.000		0.1369	0.1748	0.3068	0.4722	0.9998
2003	1.004	0.998	1.006	1.002			0.1525	0.1782	0.3437	0.5296	
2004	1.023	0.990	1.024				0.1456	0.1687	0.3310		
2005	1.080	1.032					0.4193	0.5065			
2006	1.034						0.1901				
All Yr Wtd	1.044	1.028	0.981	1.002	1.000		1.044	1.028	0.981	1.002	1.000
3 Yr Wtd	1.057	1.016	0.981	1.002	1.000						
Cumulative	1.056	0.999	0.983	1.002	1.000						

Incurred
Losses
Including
CAT

	Earned Premium					Earned House Years				
	2003	2004	2005	2006	2007	2003	2004	2005	2006	2007
AR	\$11,678	\$27,774	\$64,111	\$75,818	\$97,719	29	44	101	120	154

Incurred Losses No CAT										
Total Incurred Losses						Earned Premium				
2003	2004	2005	2006	2007		2003	2004	2005	2006	2007
\$238	\$354	\$20,148	\$195,353	\$96,350	AR	\$11,678	\$27,774	\$64,111	\$75,818	\$97,719

Earned House Years					Total Incurred Losses					
2003	2004	2005	2006	2007	2003	2004	2005	2006	2007	
29	44	101	120	154	\$238	\$354	\$20,148	\$187,566	\$96,350	

NAIC LOSS COST DATA ENTRY DOCUMENT (EFFECTIVE AUG. 16, 2004)

1.	This filing transmittal is part of Company Tracking #	28-AR-08190-RR
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of advisory organization and Reference/Item Filing Number	N/A
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Company Name		Company NAIC Number
3. A.	Aegis Security Insurance Company	B. 313-33898

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
4. A.	Homeowners	B. Owner Occupied MHO-8

5.	(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				(H) Co. Current Loss Cost Multiplier
				(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	
	All	14	14	45.6				
	TOTAL OVERALL EFFECT	14	14					

5 Year History					Rate Change History		
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2003	29	0	N/A	11.7	.238	.024	.511
2004	44	0	N/A	27.8	.354	.014	.588
2005	101	0	N/A	64.1	20.1	.34	.827
2006	120	0	N/A	75.8	195.4	2.768	.539
2007	154	0	N/A	97.7	96.4	1.093	.465

7.		Expense Constants	Selected Provisions
A.	Total Production Expense		.335
B.	General Expense		.134
C.	Taxes, License & Fees		.025
D.	Underwriting Profit & Contingencies		.05
E.	Other (explain)		
F.	TOTAL		.544

8. Apply Lost Cost Factors to Future filings? (Y or N)

9. 14 Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): 14

10. 0 Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): 0

<i>SERFF Tracking Number:</i>	<i>AEGS-125791385</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Aegis Security Insurance COmpany</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>28-AR-08190-RR</i>		
<i>TOI:</i>	<i>04.0 Homeowners</i>	<i>Sub-TOI:</i>	<i>04.0000 Homeowners Sub-TOI Combinations</i>
<i>Product Name:</i>	<i>MHO-8 Program</i>		
<i>Project Name/Number:</i>	<i>Rate & Rule Filing/28-AR-08190-RR</i>		

Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
No original date	Supporting Document	Uniform Transmittal Document-Property & Casualty	08/26/2008	NAIC Transmittal.pdf
No original date	Supporting Document	Rate Justification	08/26/2008	AR HO8 rate indications 0808.pdf AR HO8 rate indications1 0808.pdf AR HO8 rate indications2 0808.pdf AR HO8 rate indications3 0808.pdf AR HO8 rate indications4 0808.pdf AR HO8 rate indications5 0808.pdf AR HO8 rate indications6 0808.pdf AR HO8 rate indications7 0808.pdf AR HO8 rate indications

<i>SERFF Tracking Number:</i>	<i>AEGS-125791385</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Aegis Security Insurance COmpany</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>28-AR-08190-RR</i>		
<i>TOI:</i>	<i>04.0 Homeowners</i>	<i>Sub-TOI:</i>	<i>04.0000 Homeowners Sub-TOI Combinations</i>
<i>Product Name:</i>	<i>MHO-8 Program</i>		
<i>Project Name/Number:</i>	<i>Rate & Rule Filing/28-AR-08190-RR</i>		

0808.pdf

Property & Casualty Transmittal Document

Reset Form

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
h. Subject Codes		

3. Group Name					Group NAIC #
4. Company Name(s)	Domicile	NAIC #	FEIN #	State #	
Aegis Scurity Insurance Company	PA	313-33898	23-20358		

5. Company Tracking Number	28-AR-08190-RR
-----------------------------------	----------------

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
Judith A. Delvernois	Product Development Specialist	1-800-233-2160	717-657-0340	jdeivernois@aegisfirst.com
7. Signature of authorized filer				
8. Please print name of authorized filer		Judith A. Delvernois		

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	04.0 Homeowners		
10. Sub-Type of Insurance (Sub-TOI)	04.0003 Owner Occupied Homeowners		
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]			
12. Company Program Title (Marketing title)	MHO-8 Homeowners Program		
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input checked="" type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)		
14. Effective Date(s) Requested	New: 11/01/08	Renewal:	01/01/09
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
16. Reference Organization (if applicable)			
17. Reference Organization # & Title			
18. Company's Date of Filing			
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved		

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking # 28-AR-08190-RR

21. Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]

10% Increase to Base Premiums

[View Complete Filing Description](#)

22. Filing Fees (Filer must provide check # and fee amount if applicable)
[If a state requires you to show how you calculated your filing fees, place that calculation below]

Check #:

Amount:

Submitting Via EFT

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

***Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)
 (Do not refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	Not Applicable			
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)				
3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	Not Applicable		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
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08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

PC FFS-1

RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

1. This filing transmittal is part of Company Tracking # 24-AR-08191-RR

2. This filing corresponds to form filing number
(Company tracking number of form filing, if applicable)

☒ Rate Increase ☐ Rate Decrease ☐ Rate Neutral (0%)

3. Filing Method (Prior Approval, File & Use, Flex Band, etc.)

4a. Rate Change by Company (As Proposed)

Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
Aegis	10%	10%	10,167	200	101,667	10%	

4b. Rate Change by Company (As Accepted) For State Use Only

Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change	Minimum % Change

5. Overall Rate Information (Complete for Multiple Company Filings only)

		COMPANY USE	STATE USE
5a	Overall percentage rate indication (when applicable)		
5b	Overall percentage rate impact for this filing		
5c	Effect of Rate Filing – Written premium change for this program		
5d	Effect of Rate Filing – Number of policyholders affected		

6. Overall percentage of last rate revision 6%

7. Effective Date of last rate revision May 19, 2003

8. Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.) Prior Approval

9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01	Manual Rate Page 9 and 10(08/08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	28-AR-02147-RR
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

Arkansas HO-8

Product: HO-8 Regular (Owner Occupied)

Years: 2003-2007

As of: 12/31/2007

Does not includes CAT losses

State	Trended, On-Level Earned Premium	Adjusted Ultimate Loss & LAE	Total Indicated Loss Ratio	Weighted Indicated Loss Ratio	Credibility	BPLR	Credibility Adjusted Loss Ratio	Indicated Change
#REF!	\$ 295,337	\$ 349,301	118.3%	106.5%	0.11	45.6%	52.0%	14.1%

**Selected
Change**

10.00%

Earned Premium at Current Rate Level

State	2003	2004	2005	2006	2007	Total
AR	13,151	30,665	69,396	80,459	101,667	295,337

Adjusted Ultimate Loss & LAE**Indicated Loss Ratios**

2003	2004	2005	2006	2007 Total		2003	2004
310	442	23,621	213,850	111,079	349,301	2.4%	1.4%

2005	2006	2007 Total		Weighted Indicated Credibility	Loss Ratio	BPLR	Credibility Adjusted Loss Ratio	Indicated Change
34.0%	265.8%	109.3%	118.3%	0.11	106.5%	45.6%	52.0%	14.1%

*updated formula to force WILR-WA,WV

	2003	2004	2005	2006	2007	Total
Trend-To Date	6.00	5.00	4.00	3.00	2.00	
Premium Trend	1.126	1.104	1.082	1.061	1.040	
Loss Trend	1.302	1.246	1.193	1.141	1.092	
Loss Development	1.000	1.002	0.983	0.999	1.056	
Weights	0.10	0.15	0.20	0.25	0.30	1.00

Presumed Effective Date **10/1/2008**
Avg Accident Date 10/1/2009

Premium ATF 0.020
Loss ATF 0.045

Incurred Losses Including CAT

	Earned Premium					Earned House Years			Total Incurred Losses				
	2003	2004	2005	2006	2007	2003	2004	2005	2006	2007	2003	2004	
AR	\$11,678	\$27,774	\$64,111	\$75,818	\$97,719	29	44	101	120	154	\$238	\$354	

Incurred Losses No CAT

			Earned Premium			Earned House Years				
2005	2006	2007		2003	2004	2005	2006	2007	2003	2004
\$20,148	\$195,353	\$96,350	AR	\$11,678	\$27,774	\$64,111	\$75,818	\$97,719	29	44

Total Incurred Losses							
2005	2006	2007	2003	2004	2005	2006	2007
101	120	154	\$238	\$354	\$20,148	\$187,566	\$96,350

States	Commission	General Expense & Acquisition Cost	ULAE	Taxes, Licenses, Fees	Profit & Contingency	BPLR
AR	0.270	0.134	0.065	0.025	0.050	0.456

Annual Trend Factor Calculations

Year	x	Average CovA	Linear Fit
2002	1	\$32,590	31,606
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2004	3	\$40,777	37,160
2005	4	\$43,872	39,937
2006	5	\$45,407	42,715
2007	6	\$47,096	45,492

Least Squares Fit to Y (Average CovA) = $mx + b$

	Latest 6 Yrs	Latest 4 Yrs
b (Intercept)	31,606	35,067
m (Slope)	2,777	2,049
R-Square (Fit)	0.946	0.970

Avg Annual Trend	6.7%	4.6%
------------------	------	------

Selected	2.0%
----------	------

Loss Development Factor Calculations

Source: Country Wide Incurred Indemnity + ALAE (as of 12/31/07)

Schedule P - Part 1A

Incurred Loss & ALAE = (4) Loss Payments + (6) Defense & CC Payments + (13) Loss

Homeowner and Mobile Home

Incurred Losses & ALAE

AY	<u>12</u>	<u>24</u>	<u>36</u>	<u>48</u>	<u>60</u>	<u>72</u>
2002	10,274,000	10,532,000	11,488,000	10,519,000	10,533,000	10,531,000
2003	11,690,000	11,734,000	11,715,000	11,786,000	11,813,000	
2004	10,947,000	11,202,000	11,088,000	11,351,000		
2005	29,881,000	32,264,000	33,295,000			
2006	14,153,000	14,631,000				
2007	11,988,000					

AY	<u>12 - 24</u>	<u>24 - 36</u>	<u>36 - 48</u>	<u>48 - 60</u>	<u>60 - 72</u>
2002	1.025	1.091	0.916	1.001	1.000
2003	1.004	0.998	1.006	1.002	
2004	1.023	0.990	1.024		
2005	1.080	1.032			
2006	1.034				

All Yr Wtd	1.044	1.028	0.981	1.002	1.000
3 Yr Wtd	1.057	1.016	0.981	1.002	1.000
Cumulative	1.056	0.999	0.983	1.002	1.000

ses Unpaid Case + (17) Losses Unpaid Defense & CC

Weights (12 Mo.)

<u>12 - 24</u>	<u>24 - 36</u>	<u>36 - 48</u>	<u>48 - 60</u>	<u>60 - 72</u>
0.134	0.160	0.335	0.472	1.000
0.152	0.179	0.342	0.528	
0.142	0.170	0.323		
0.388	0.491			
0.184	0.223			
1.000	1.223	1.000	1.000	1.000
0.1369	0.1748	0.3068	0.4722	0.9998
0.1525	0.1782	0.3437	0.5296	
0.1456	0.1687	0.3310		
0.4193	0.5065			
0.1901				
1.044	1.028	0.981	1.002	1.000

Weights (3 Mo.)

<u>12 - 24</u>	<u>24 - 36</u>	<u>36 - 48</u>	<u>48 - 60</u>	<u>60 - 72</u>
		0.34	0.47	1.00
	0.21	0.34	0.53	
0.20	0.20	0.32		
0.54	0.58			
0.26		-		
1.000	1.000	1.000	1.000	1.000
		0.307	0.472	1.000
	0.212	0.344	0.530	
0.204	0.201	0.331		
0.587	0.603			
0.266				
1.057	1.016	0.981	1.002	1.000

Annual Loss Trend Calculation

Annual Construction Cost Indexes

Census Construction Price Indexes (CPI)

Year	x	CPI	Fit
1996	1	100.0	88.2
1997	2	102.9	94.2
1998	3	105.5	100.1
1999	4	110.7	106.1
2000	5	115.4	112.1
2001	6	119.5	118.1
2002	7	124.8	124.1
2003	8	131.9	130.1
2004	9	141.9	136.1
2005	10	153.1	142.0
2006	11	159.2	148.0
2007	12	160.1	154.0

Least Squares Fit to Y (CPI) = $mx + b$

b (Intercept)	88.2
m (Slope)	5.99
R-Square (Fit)	0.968

Avg Annual Trend	4.7%
Selected	4.5%

Arkansas HO-8

Product: HO-8 Regular (Owner Occupied)

Years: 2003-2007

As of: 12/31/2007

Does not includes CAT losses

State	Trended, On-Level Earned Premium	Adjusted Ultimate Loss & LAE	Total Indicated Loss Ratio	Weighted Indicated Loss Ratio	Credibility	BPLR	Credibility Adjusted Loss Ratio	Indicated Change
#REF!	\$ 295,337	\$ 349,301	118.3%	106.5%	0.11	45.6%	52.0%	14.1%

**Selected
Change**

10.00%